STATUS OF CLAIMS

Claims 1-33 are pending.

Claims 1-30 have been cancelled without prejudice herein.

Claim 31 has been amended without prejudice herein.

New Claim 34 has been added.

REMARKS

Specification Amendments

The Applicant appreciates the Examiner's thoroughness in reviewing the application for informalities, typographical errors and ambiguities. In response thereto, Applicant has amended the application to address informalities, typographical errors and ambiguities.

In paragraph [0008] the phase "the beginning or end of" has been added to the second sentence to remove any ambiguity posed by the sentence. Support for this amendment may be found throughout the specification, such as at paragraph [0029] *(FIG. 4 illustrates a flow chart of an exemplary process 400 for determining final net asset value in accordance with the principles of the present invention. In this exemplary process, at block 410, a gross NAV at the end of a month (eom) is determined from a preceding final NAV determined at the beginning of the month (bom))*, paragraph [0030] *(Where Nav.sub.g is the gross NAV at the end of the month)*, paragraph [0031] *(Nav.sub.f is the final NAV at the beginning of the month)*, paragraph [0032] *(IP is the annualized investment performance return for the month)* and paragraph [0033] *(At block 420, a final NAV at the end of the month is then determined.)*.

In paragraph 0010 the word "substantial" has been corrected to read "substantially".

In paragraph [0010] the word "is" has been corrected to read "in".

In paragraph [0012] line 3, the word "on" has been corrected to read "in".

In paragraph [0012] lines 11-12 the word "a" has been corrected to read "in".

In paragraph [0012] lines 14 the word "value" has been corrected to read "values".

The Examiner's comment regarding a flaw relating to the method and system steps for determining asset values is discussed below in connection with the Claim rejections under 35 USC § 112.

Abstract Amendment

On line 3, the word "substantial" has been corrected to read "substantially". On lines 10-11 the word "is" has been corrected to read "as".

Claim Amendments

Claims 1-30 have been cancelled without prejudice. Support for the amendment to Claim 31 may be found throughout the specification, such as at paragraph [0024] and in Figure 2. New claim 34 has been added. Support for new claim 34 may be found throughout the specification, such as at paragraph [0025] and in Figure 3.

Claim rejections-35 USC § 112

Claims 1-30 have been cancelled without prejudice. Claim 31 has been amended to overcome the rejection under 35 USC § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the applicant regards as the invention. The reference to a "second known period" , third known period or to simply "...period" as in "second period" or "third period" refers to a known "known period *of time*". For clarity, Claim 31 has been amended to simply recite "*time*". Support for this amendment may be found throughout the specification, such as at paragraph [0008] *("Typically, investment accounting system 130 is operated by the management of the investment vehicle into which the premiums have been placed. The premium investment generally is performed at known periods of time, e.g., daily, monthly, quarterly, yearly, etc.")*.

The Examiner advises the Applicant that the invention as described in the specification contains a flaw relating to the method and system steps for determining asset values because the specification states "[t]he investment generally is performed at known periods of time, daily, monthly, quarterly, yearly". However, the Abstract originally and as revised clarifies the meaning of this sentence by stating: "...In accordance with the principles of the invention, a ~~normalize~~ normalized unit value is determined at the conclusion of each of a predetermined period from a preceding net unit value and an investment instrument performance return achieved during each period...(bolded for emphasis"). The preposition "during" may be defined as:

> During –preposition 1. throughout the duration, continuance, or existence of: He lived in Florida during the winter.2. at some time or point in the course of: They departed during the night. [Origin: 1350–1400; ME; see dure2, -ing2] Dictionary.com Unabridged (v 1.0.1) Based on the Random House Unabridged Dictionary, © Random House, Inc. 2006.

The Abstract clearly uses the word "during" in the second sense, meaning "at some time or point in the course of". Having established that the "period" refers to a "period of time", the complete phrase "during a period of time" is the proper interpretation of the context in which the words "during, period, and time" appear. Likewise references to "....at known periods of time, daily, monthly, quarterly, yearly", means the same as "...during know periods of time..." *i.e.*, a specific point in time.

35 U.S.C. 103(a) Rejections

Claims 1-30 have been cancelled. Claims 31-33 stand rejected under 35 U.S.C. §103(a), as being unpatentable over the Koppes et al. (US Patent 5,926,792, hereinafter '792 or Koppes) in view of Schirripa (US Patent 6,275,807 B1, hereinafter '807 or Schirripa). Claim 31 having been amended, this rejection is traversed.

A claimed invention is *prima facie* obvious when three basic criteria are met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to *one of ordinary skill in the art*, to modify the reference or to combine teachings. *See In re Jones,* 958 F.2d 347, 21 USPQ2d 1941

(Fed. Cir. 1992); *In re Fine,* 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988). Second, there must be a reasonable expectation of success. *See In re Merck & Co., Inc.,* 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Third, the prior art reference or combined references must teach or suggest all the claim limitations. *See In re Royka*, 490 F. 2d 981, 180 USPQ 580 (CCPA 1974).

The Examiner has stated an incorrect standard against which patentability has been denied, by merely arguing "it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have modified the disclosures of Koppes and Schirripa with ***the ordinary practitioner's personal knowledge and awareness of what was well known in the art."*** (emphasis supplied).

By way of further explanation, Claim 31 (as amended) recites:

> A method of determining life insurance policy value represented as a plurality of current insurance units having a premium invested in at least one investment instrument, comprising:
>
> charging a one time administration fee to the premium prior to investing;
>
> determining a net asset at a known time based on a performance return of each of said investment instruments; and
>
> adjusting, at a selected date, said current number of said insurance units by a number of insurance units corresponding to a change in value of each of said investment instruments reduced by a corresponding performance fee, based on said net asset value, wherein said performance fee is a known percentage of said change in value of each of said investment instruments if said change in investment value is positive.

Thus, in order to establish a *prima facie* case of obviousness, the Examiner must establish Koppes and Schirripa teach or suggest all the recited claim limitations, including each of the recited charging, determining and adjusting steps. The Office action itself acknowledges that Koppes fails to teach or suggest each of the recited limitations of Claim 31. *See, e.g., p.24-26 ("[Koppes does not explicitly disclose] adjusting, at a selected date, said policy value by said determined number of units corresponding to said change in value of each of said investment instruments reduced by a corresponding performance fee.").*

In an effort to remedy this admitted shortcoming of Koppes, the Examiner then concludes that because computer automated methods and systems for administering contracted policy holder affairs is purportedly well known, as is purportedly illustrated by Schirripa, the present claims are unpatentably obvious. Such an unsupported conclusion fails to apply the appropriate standards of patentability. More particularly, the Examiner seems to conclude that the recited steps of Applicant's claimed method somehow equate to what was well known in the art – without any support therefore. Applicant traverses this assertion. For example, the cited references neither teach nor suggest, "adjusting, at a selected date, said current number of said insurance units by a number of insurance units corresponding to a change in value of each of said investment instruments reduced by a corresponding performance fee, based on said net asset value, wherein said performance fee is a known percentage of said change in value of each of said investment instruments if said change in investment value is positive" – as is recited by Claim 31. Further, the cited references neither teach nor suggest, "charging a one time administration fee to the premium prior to investing" – as is also recited by Claim 31.

Accordingly, Applicant respectfully requests reconsideration and removal of the rejection of Claim 31, as a *prima facie* case of obviousness has not been met, at least by virtue that the Examiner having applied an improper standard for obviousness under 35 USC § 103. Applicant also requests reconsideration and removal of the rejections of Claims 32-33 as well, at least by virtue of these claims' ultimate dependency upon a patentably distinct base Claim 31.

Applicant respectfully requests reconsideration, withdrawal of the rejections and allowance of all pending claims. Alternatively, should the present rejections not be withdrawn, Applicant respectfully requests the Examiner please specifically identify those particular portions of each of Koppes and Schirripa upon which the Examiner relies as purportedly teaching or suggesting each of the recited limitations of each of the pending claims – such that Applicant may be afforded a reasonable opportunity to respond.

CONCLUSION

Applicant believes he has addressed all outstanding grounds raised in the outstanding Office action, and respectfully submits the present case is in condition for allowance, early notification of which is earnestly solicited.

Should there be any questions or outstanding matters, the Examiner is cordially invited and requested to contact Applicant's undersigned attorney at his number listed below.

Respectfully submitted,

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